

The American Observer

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A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe

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WASHINGTON, D. C.

SEPTEMBER 11, 1944

Leaders of Allies Debate Peace Plans

Big Four Seek Agreement on International Organization to Prevent Future War

NEW LEAGUE OF NATIONS URGED

Hull Pledges Protection to All Nations, Large and Small, in Program of Security

On the 143-year-old mansion of the estate known as Dumbarton Oaks, located in the heart of Georgetown, a section of Washington, the spotlight of the world has been focused since the last week in August. There, 40 delegates, representing the United States, Great Britain, and the Soviet Union, have been holding meetings which will have a vital bearing upon the future of the world. Five days a week, at two daily conferences, they have been working on plans of post-war organization—plans of organizing the nations so that future wars may be prevented.

There is no more important problem confronting the world today. The Dumbarton Oaks conference is the great test for the United Nations, to determine whether they can find a way of cooperating to preserve the peace as they have cooperated to defeat a deadly foe. If they cannot find a formula for working together to preserve the fruits of victory, there is little prospect that a third world war can be prevented. If they can stay united in peace as they have in war, there is at least a strong hope that another war will be prevented. Secretary of State Cordell Hull has clearly defined the issue and emphasized the challenge:

"I wish I could burn this into your minds and memories for the next 50 years at least: . . . The human race, this hour, this day, this year is confronted by the gravest crisis in all its experience, and we who are here on the

We are printing on page 8 of this paper a map of Europe which will be of assistance to readers in following the remainder of the war against Germany. Thereafter it may be used to follow the Allied occupation of Germany, boundary changes, population movements and other vital developments.

scene of action at this critical time have the responsibility of saying which way the world is going for 50 years to come."

The task facing the delegates is to work out a plan for international organization which will be acceptable to the three nations. Later, similar discussions will be held among American, British, and Chinese leaders. The Chinese will not hold conversations

(Concluded on page 7)



Facing the future

LARGEST PHOTO

How Best to Serve

By Walter E. Myer

The decline in high school enrollment, which has been under way for some time, still continues. One million fewer boys and girls attended high school classes during the last year than in 1940. It is anticipated that when the enrollment figures for the coming school year are known, it will be found that the number of students has dropped even further. Many young people will be absent when the work starts this month, and others will drop out from time to time, as attractive chances for employment present themselves.

There are two explanations for this drifting away from school. The first is that boys and girls of high school age find it easy in many communities to obtain jobs which pay well, and the chance to make money, a great deal of it, is hard to resist. Many students are leaving the classrooms, however, from patriotic rather than selfish motives. They feel that it is their duty to take war jobs and thus help to increase the production of war materials.

Students who are considering the possibility of leaving school should consider the matter carefully from the standpoint of personal well-being and also from that of public service. From the personal point of view one must consider long-range as well as immediate prospects. It is true that jobs which pay well are plentiful now, but it is probable that they will not be when the war is over. One who is looking out for his own interests must consider the likelihood that there will be a great deal of unemployment during the years following the war. Jobs will be hard to get—probably as hard as they were during the 1930's. The best qualified young men and women will have the best chances for employment, and employers are far more likely to select those who have completed a high school education. Boys and girls who have left school before completing their courses will find themselves seriously handicapped. Not only will they find it more difficult to secure employment, but they will lose the cultural benefits which come from a broad general education.

From the national standpoint, the argument is also in favor of school attendance. The nation needs well-educated and well-trained citizens. If a large proportion of American youth are out of school today, the scientific, the political, and the cultural development of the nation will be impeded during the next generation. The strongest nation of tomorrow will be the nation whose citizens have broad educational backgrounds. That is why the United States Office of Education, the Office of War Information, and the War Manpower Commission are supporting the effort to induce young men and women of high school age to remain at their posts, despite temptations which tend to lure them from the classroom.

U. S. Faces Serious Reconversion Tasks

Congress Maps Program for Turning Industry Back to Production for Peace

SEEKS TO AVOID NEW DEPRESSION

Threat of Widespread Unemployment Looms Unless Problems Are Wisely Handled Now

A term which is new to most of the American people has recently found a place in the newspapers and in private conversation. This term which has received a new prominence is "reconversion." Three years ago, when the country was on the brink of war, we were talking frantically about "converting" our industries to war purposes. The work of conversion was achieved on a vast scale when a little later we were plunged into the war. Industries of all kinds were changed. Automobile plants turned to the manufacture of airplanes and tanks. Factories which had been making refrigerators or radios and hundreds of kinds of goods used by the American people, were converted into war plants, manufacturing munitions and implements and articles needed for the conduct of the war.

We have known all the time that when the war ended, the factories which had been converted into war plants would have to be changed back; would have to be "reconverted" or worked over so that they could again produce goods for peacetime uses.

Planning for Peace

During the long months when the end of the war was not in sight, the job of reconverting industry seemed a long way off. Most people gave it little thought. They were too completely absorbed with the war itself.

But now, at last, victory is in sight. It seems probable that Germany will be defeated within the next few months. If, therefore, we are to be ready for peace; if industry is to be turned quickly to peacetime purposes, plans to that end must be made without delay.

The problem before us will be a tough one to handle. At present, about 42,000,000 people are employed in the United States in work other than farming. Some 18,000,000 of them are engaged in direct war work. It is estimated that 40 per cent of this war work will stop when the German war ends, and, of course, nearly all of it will cease when Japan is defeated. When the war plants close, millions of workers will be out of jobs, unless the factories now doing the war work can turn quickly to the production of goods for civilian uses.

The problem of finding jobs for those now employed in war plants will be complicated by the fact that when the war ends, the soldiers, sailors, and

(Continued on page 2)



America faces its greatest economic challenge as it prepares for the problems of reconverting its industries to the needs of peacetime

The Job of Reconverting U.S. Industry

(Continued from page 1)

marines, or most of them, will be demobilized and will come home looking for jobs. There are 11,000,000 of these men now in the services, and it is probable that all but two or three million will be demobilized shortly after the fighting ceases.

Of course, jobs will not have to be found for all those now employed in war work. Many women now working in war plants will not want jobs when the war is over. They will go back to their homes. It is probable, however, that if there is to be full employment, work must be found for at least 15,000,000 men and women who are now in the armed services or in war plants.

Pent-up Demand

Many people believe that it will not be as hard to find these jobs as it may appear at first sight. All that is needed, it is argued, is for the factories and plants which have been converted to the production of war goods to be reconverted to the production of civilian goods. There is, of course, a huge, pent-up demand for articles of many kinds. Few houses have been built since the war started, and many people are living in badly crowded quarters. Millions of new homes are needed, and if this work of construction gets under way, it will give employment to a great army of workers. The demand for automobiles will be very great, and for refrigerators, radios, and hundreds of other items which are not now being manufactured and which cannot be bought.

Efforts are being made to smooth the way for the reconversion of industry—to make it easier for plants now making war goods to change to the production of civilian goods. A bill with such a purpose recently passed the Senate and is now before the House of Representatives. It provides for a "Director of War Demobilization and Reconversion," whose job it will be to assist in reconversion as the need for war products declines or stops. He is to determine which civilian goods can best be produced by the factories now making war products. He

is to arrange for these factories to obtain the necessary materials and the manpower so that they may turn to the production of goods needed in peacetime. In many other ways, he is to smooth the path of reconversion.

It will be impossible, however, for a factory to change quickly from the manufacture of airplanes or tanks to the manufacture of automobiles or refrigerators. The factories must be completely re-tooled, and that takes a long time. What are the workers to do during this period?

The situation at the end of the war will probably be something like this: War plants in every state in the Union will be closing down. Many of them will be planning to re-tool as quickly as possible and change over to the production of articles needed during peace. But, meanwhile, the employees will be discharged. There will be nothing for them to do. There is almost certain to be a great deal of unemployment during the months when the reconversion of industry is taking place.

This will be a very dangerous period, for when workers lose their jobs they lose their purchasing power. Unless they have savings put aside, they cannot buy the things they need; however much they may desire new houses or automobiles or refrigerators or radios, they cannot buy these things if they do not have jobs.

Danger of Depression

This will be a personal hardship for the workers and their families. It will also be serious for the nation at large and the nation's industry. If there is a really large amount of unemployment during the transition period, the whole process of reconverting industry may be threatened. Factories which have been doing war work and which have planned to turn to the manufacture of other things may simply remain idle, for factory owners will be afraid to manufacture products if too many people are unemployed, and hence without sufficient money to buy such products.

The Senate recently considered measures to meet such a situation, and similar measures are now before the House of Representatives. A bill brought before the Senate by Senators Kilgore of West Virginia and Murray of Montana provided for the payment of rather heavy unemployment benefits to workers out of jobs. Their bill provided that during a two-year transition period, a worker for whom suitable employment could not be found should be paid by the federal government three-fourths as much as he had been getting while he was employed.

There was, however, this limiting amendment: Whatever he had been making while employed, his unemployment benefits were not to be more than \$20 a week if he had no dependents, \$25 if he had one dependent, \$30 if he had two dependents, and \$35 a week if he had three or more dependents. The highest amount anyone could receive was, therefore, \$35 a week; but he was to receive that amount only if he had three or more dependents, and if he had been receiving about \$48 a week while employed.

Arguments on Plan

There were two main arguments in favor of this plan: First, that it was just; that it would prevent suffering by those who were unemployed through no fault of their own; that it would relieve many families, probably millions of them, of actual distress by giving them a fairly decent standard of living. It was argued that the inconvenience caused by the closing down of war plants should be borne by all the people of the nation rather than by those who chanced to be employed in the closed war establishments.

The second argument was that such a plan would prevent depression throughout the nation and would make possible an orderly reconversion of industry. It would mean that workers discharged from war plants would still have purchasing power. This would help create a demand for new products, and would encourage the owners

of factories to re-tool their plants and proceed with production.

Against this bill, it was argued that it would lead to loafing; that if a worker could get three-fourths as much without working as he would be getting when employed, he would choose to take the smaller income and remain idle.

Advocates of the bill denied that the workmen of America are loafers, and pointed out that a man would be entitled to unemployment compensation only if federal employment agencies could not find work for him. The opponents felt that this was not a sufficient guarantee against voluntary idleness by those who received high unemployment compensation.

Expense Involved

It was argued further that such a plan would cause the government too much expense. It was estimated that several million men may be unemployed when the war is over, and that if these unemployed receive payments in accordance with the Kilgore-Murray plan, the cost to the federal government would be staggering—probably six to 12 billion dollars a year.

Senator Tydings, in opposing the measure, said that the government would not raise this money by taxation. He said, furthermore, that in time of peace it could not raise the money by selling bonds, because the people would not buy many bonds except in time of war. The government would, therefore, be obliged to print paper money to make the payments. This would cause a fall in the value of the dollar. In other words, it would produce inflation, which would play havoc with the incomes of all the people.

The Senate finally killed the Kilgore-Murray bill, and enacted instead a bill introduced by Senator George of Georgia. This bill does not provide for a plan of unemployment benefits other than the plan which is now in existence.

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itself how much it will pay in benefits to the unemployed. The federal government collects the money in all the states for this purpose, but the money is turned over to the states. The George bill provides that the federal government will lend money to the state without charging interest if the state has not enough to pay unemployment benefits. But that is as far as the federal government goes.

Payments Vary

As a matter of fact, the payments of the states vary greatly. Those who are unemployed may receive from \$12 to \$22 a week, depending upon the state in which they live. In some states, however, the unemployed person receives payments only two or three weeks during the year. The average payments to the unemployed are about \$13 a week, which is about half as much as the average payments to the unemployed would have been under the Kilgore-Murray plan.

The supporters of the Kilgore-Murray bill think that the plan adopted by the Senate will not provide a decent living to the unemployed. They argue, furthermore, that it will leave the unemployed without purchasing power and will thus discourage the revival of industry after the war.

The contest over this issue is now under way in the House of Representatives. Plans similar to those of Kilgore and Murray on the one hand and George on the other are before the House.

The issue is not drawn clearly along party lines. In the Senate, the Republicans voted together quite closely. Twenty-six of them voted against the Kilgore-Murray measure, and only three of them voted for it. The Democrats, however, were divided rather evenly. Twenty-three Democrats voted against the Kilgore-Murray bill and 20 of them voted for it.

Important as this issue regarding unemployment benefits may be, it is not the greatest of our reconstruction problems. The most challenging question we face is not how to relieve millions of unemployed but how to prevent mass unemployment from occurring. How to keep our factories producing so that the standard of living may be high, and so that all may be employed, is the question of the hour.

The war has produced a profound economic revolution in the United States. The greatest production miracle of all time has taken place in this

country in the course of less than five years. No country on earth has equaled our production record of this period. In 1944, our national income will pass the \$200 billion mark. Approximately half of our production is used for war purposes, for our own military forces and for our Allies. The balance is produced for civilian uses.

With all the requirements for war, the American people have been able to maintain a higher standard of living than they enjoyed in peacetime, as a result of this production miracle. At the previous peak of economic prosperity, in 1929, the American people produced less than \$100 billion worth of goods of all kinds. Now they are turning out more than that for civilian purposes, on top of the vast requirements for war. And they are doing it with more than 11 million of the most productive workers directly engaged in the war.

The United States will face its most serious economic problem when the war ends and the great stimulation which war has given to our productive machinery is removed. The challenge lies in the necessity of maintaining production at a far higher level than it has ever been in time of peace so that jobs may be available for all our workers. We cannot do it by returning to the 1929 level of production, or even to the 1939 level. It must be far greater.

Challenge to Nation

All thoughtful students of the problem, representatives of business, labor, and government, recognize the seriousness of the task which lies ahead. All agree that if economic catastrophe is to be avoided, we must keep our peacetime production nearly as high as it has been in wartime.

While all agree on this general objective, there is widespread disagreement on the methods whereby the goal can be reached. It is a many-sided question, involving issues which penetrate deep into our national thinking. Dozens of conflicting plans and programs have been advocated. Some of these place the principal responsibility upon private industry, whereas others call for a large degree of governmental direction and guidance. During the weeks and months ahead, these plans are likely to raise the deepest issues confronting the American people. In later issues of THE AMERICAN OBSERVER we shall discuss these plans and the issues they raise.

Leaders in the News

Although the name of John Foster Dulles has been well known in business, legal, and diplomatic circles for many years, it took the 1944 presidential campaign to bring it before the American people as a whole. Last summer, Dulles stepped into the limelight as Thomas E. Dewey's prime adviser on foreign affairs.

Brilliant, versatile Dulles has been involved in international relations in one way or another all his life. Favorite grandson of President Harrison's secretary of state, John W. Foster, he grew up on stories of diplomacy and foreign politics. At 19 he had a first-hand glimpse of them when his grandfather arranged a secretarial post for him at the second Hague Peace Conference.

Following his graduation from Princeton, Dulles studied philosophy at the Sorbonne in Paris and law at George Washington University in Washington, D. C., then went to work with the powerful Wall Street law firm of Sullivan and Cromwell. Instead of keeping him away from the international scene, the job led to further work with a diplomatic cast. Because of his Hague experience, Dulles was sent to bid for the Caribbean wheat market on behalf of the New York Produce Exchange.

This in turn led President Wilson to send the young lawyer on a special mission to Panama just before the United States entered the First World War. After the war, during which he was a liaison officer between the War Trade Board and the General Staff, he went to the Versailles Conference as chief American counsel on reparations.

Returning to Sullivan and Cromwell, Dulles branched out as a cartel lawyer and international finance expert. He directed the legal aspects of financing most of the countries of Europe and South America. Whether he was representing a government or a private group, the slant was always international.

What Dulles learned in these years of work and thought began to emerge in books, articles, and speeches during the '30's. In 1943, Dulles, in his capacity as chairman of the Federal Council of Churches Commission on a Just and Durable Peace, compressed his philosophy into what he called "six pillars of peace."

This outline, together with his numerous other expressions on the subject, reveals him as a proponent of world political cooperation in the framework of the United Nations. It was because of his influence upon Mr. Dewey and upon the Republican Party that his recent conversations with Secretary Hull on the problems of world organization held the national spotlight last month.

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Even the most diehard opponent of the CIO Political Action Committee would probably admit that through this year-old organization labor has become a more potent force in American politics than ever before. Using all the most streamlined techniques to get out the vote and swing public sentiment toward its chosen candidates, it has already determined the outcome of several primary elections. Although it was unsuccessful in its effort to see Vice-President Henry A. Wallace renominated, it was one of the key factions at the Democratic National Convention. Political observers expect it to play a crucial role in November.

Much of the credit for molding PAC into the dynamic pressure group it is today belongs to a man with a long record of making labor history—Sidney Hillman, PAC chairman and president of the Amalgamated Clothing Workers union. Ever since he came to this country from Russia in 1907, Hillman has been fighting labor's battles—usually with conspicuous success.

It started in 1910, when five fellow-employees at the garment factory where Hillman was a cutter went on strike for better working conditions. At first Hillman served as a picket, but before the strike was over he was its leader, and when it was settled it was he who fixed the terms. Since the five original strikers had been joined by thousands of sympathizers throughout the industry, the battle—and Hillman's victory—eventually assumed major proportions.

A few years later, Hillman became president of the newly formed Amalgamated Clothing Workers. He made his union a democratic institution dedicated to the betterment of its members in all respects. Such benefits as low-cost housing and unemployment insurance are among the membership rights he inaugurated.

Hillman became active in the labor movement on a national scale with the advent of National Recovery Administration, serving as a member of the Labor Advisory Board in 1933. In 1935 he joined John L. Lewis in abandoning the AFL to form the CIO. As CIO vice-president in 1937, he helped to organize the steel industry, arbitrated a dispute in the automobile industry, and led the drive to organize textile workers.

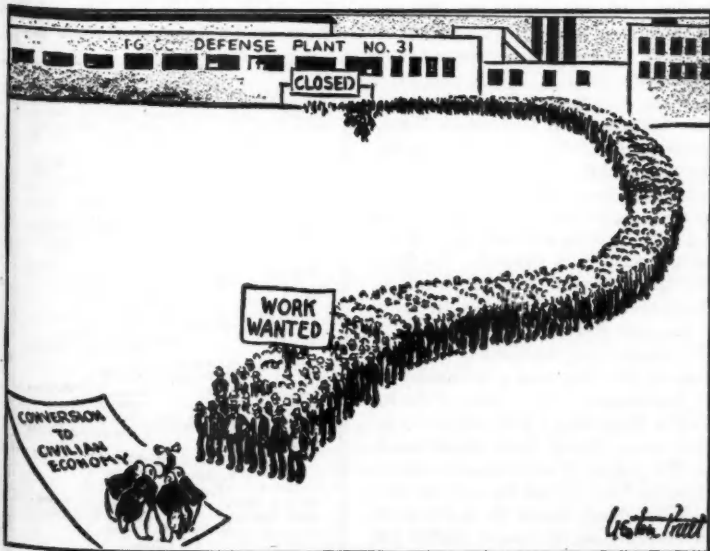
Last year, when CIO leaders began exploring the possibilities for political activity, a majority wanted to form a third party. Recalling the fate of previous labor-led third parties, such as the Populists, Socialists, Communists, and Progressives, Hillman held out for political activity within the framework of the traditional two-party system. His theory that labor could gain most bargaining within one of the parties won out and he was named chairman of the new group.



John Foster Dulles



Sidney Hillman



"Shaping the thing to come"

PRATT IN SACRAMENTO BEE

The Story of the Summer

These two pages of THE AMERICAN OBSERVER are regularly devoted to "The Story of the Week," an interpretive summary of each week's news developments. This week we substitute a similar account of the summer's events in order to bring our readers up to date. "The Story of the Week" will be resumed in the issue of September 18.

Summer of Decision

The summer months of 1944 may well go down in history as the decisive period of World War II. It was during this period that the full weight of Allied military power was brought to bear against the Axis, destroying our enemy's last hope of even a negotiated peace.

But the summer has also been a season in which the world stood at the crossroads. With peace relatively near but not yet come, the great choices on which rest future peace or war, prosperity or economic and social chaos, lay ahead. During the summer months, postwar alternatives were lined up and debated.

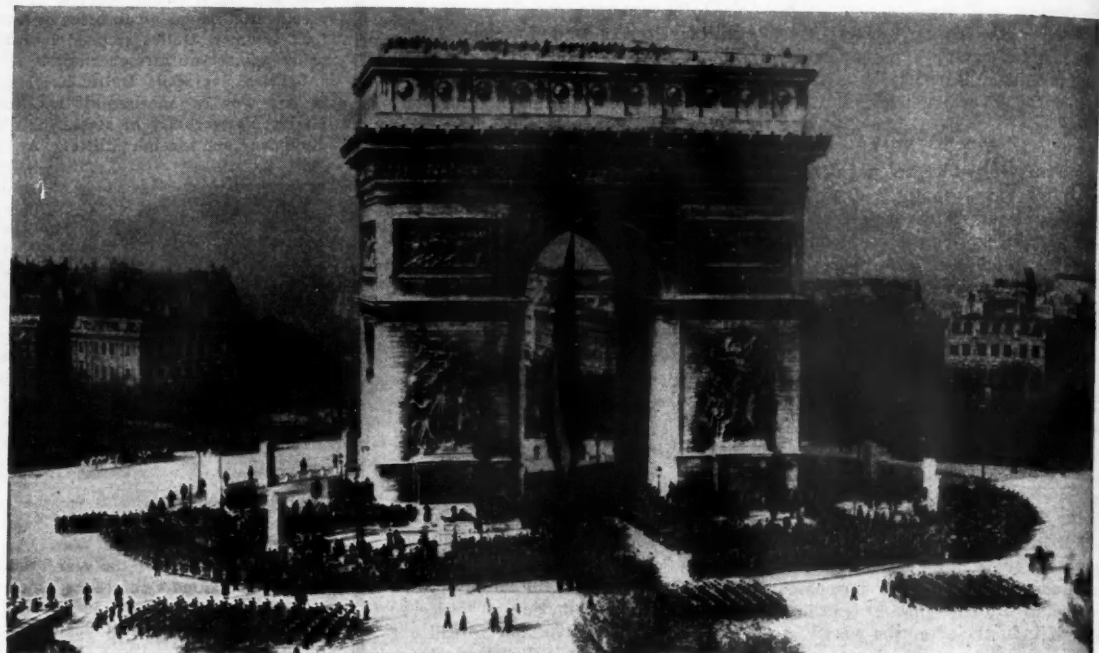
We offer on these pages a chronological summary of the last three months, and with it a more detailed examination of the events which have made it memorable. We have attempted to assess these events in terms of both their present significance and their meaning for the future.

European Battle Fronts

In the summer of 1943, Allied forces breached the outer defenses of Hitler's European fortress. British and American troops took Sicily and began the long, costly push up the Italian peninsula. The Russians drove through the Ukraine, retaking many of their key industrial cities. And our airmen dealt increasingly heavy blows at the production centers of Germany proper.

Today, a year later, it is the inner wall of Fortress Europe which is under assault as Allied armies push into the continent itself. The major invasion force, supplemented by others landing in southern France, has all but destroyed Hitler's armies in the West, and is now being readied for a drive toward the Rhine.

Ousted from Rome and Leghorn in Italy, the Nazis have entrenched them-



THE LIGHTS GO ON. The liberation of Paris, after more than four years of Nazi occupation, was hailed throughout the civilized world as one of the most dramatic and important developments of the summer. Above, the famous Arc de Triomphe in the French capital.

selves along the so-called Gothic line, stretching from Rimini to Florence and Pisa. Once this line has been broken, our forces will be within reach of Italy's northern industrial cities.

Having virtually sealed off Finland and the Baltic states, the Russians are now concentrating on a hard push toward Germany through Poland. Already their lines have crossed the border into East Prussia. Warsaw, strategic Polish capital, is a center of fighting.

Nazi prestige in Europe has crumbled almost as fast as Nazi military might in recent months. Axis Europe seems pervaded by a growing conviction that the war is lost. The attempted revolt of the German army, answered by a ruthless purge of officers, failed to break Hitler's hold at home. But the Nazis have been powerless to check revolts and desertions outside the Reich. In Italy, France, and Poland, the secret armies of the underground have risen to aid the advancing Allies. Romania has capitulated and

other satellites like Finland and Bulgaria are making desperate bids for peace. Even such determined neutrals as Switzerland and Turkey have taken a stand against Germany, Switzerland by denying sanctuary to Axis leaders after the war, and Turkey by an outright break of relations.

The only remaining question is when and how Germany's collapse will come about. Will the Nazis keep to their old vow of seeing Europe wholly destroyed before they surrender or will they try to salvage something by suing for peace before their homeland becomes a battlefield?

The Pacific Theater

Allied strategy in the Pacific this summer was aimed at smashing Japan's island defense network preparatory to attacking the enemy homeland directly. It was highly successful, moving up the date of victory in this theater by many months, according to some estimates.

A year ago, the Caroline islands, the Gilberts, the Marshalls, and the Marianas effectively guarded both Japan and her Chinese holdings. This summer's fighting has established us in the innermost of this group—the Marianas. Bypassing Truk, key base in the Carolines, our forces took Guam, Saipan, and Tinian. To the south, they extended their control over northern and western New Guinea, preparing a springboard for future attacks on the Philippines and the East Indies. For the first time since the Doolittle raid, they brought the war home to the Japanese with large-scale air raids by the new B-29 Superfortresses.

We have seen the impact of these gains on the Japanese government in the replacement of Premier Tojo by General Koiso and a new hierarchy of military and civilian leaders. Although the new regime is undoubtedly just as determined to pursue the war as was Tojo, the upset leaves no doubt as to the seriousness of recent Allied advances in Japanese eyes.

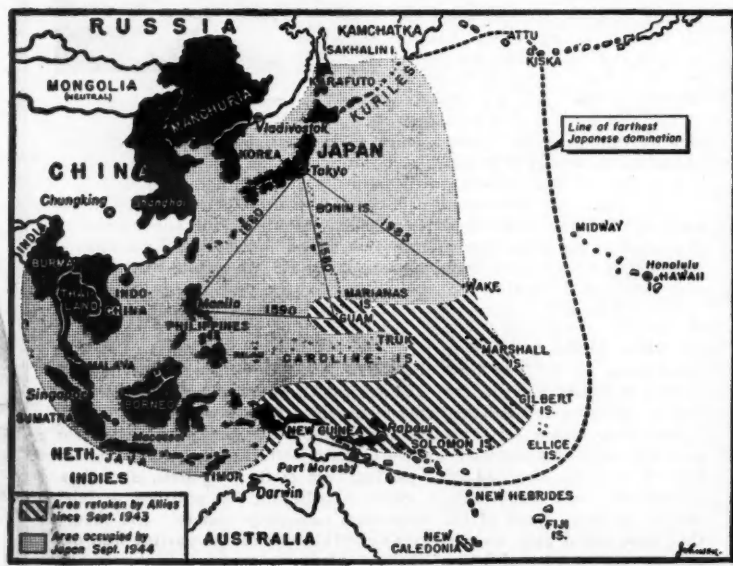
As American leaders have indicated,

a probable next step for our Far Eastern forces is the China coast. Worsted in the Pacific islands, the Japanese are now making a desperate attempt to stave off an invasion of China by finally breaking the back of Chinese resistance. Aided by disunity among the Chinese themselves, they have come perilously close to success.

Political Changes Abroad

For many nations, significant political changes followed in the wake of the war this summer. In Italy, the fall of Rome brought about King Victor Emmanuel's retirement in favor of Crown Prince Humbert and the replacement of the Badoglio government with the more representative one of Ivanoe Bonomi.

The liberation of large parts of France saw a decision finally made on the old question of General de Gaulle's place in French politics. After talks with President Roosevelt in Washington, de Gaulle was granted provisional civil authority in liberated France under General Eisenhower.



The receding tide of Japanese power

The American Observer

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Allied gains also prompted a new attempt at settlement of India's problems by Mohandas Gandhi. Fearing that the end of the war would find Britain unwilling to grant Indian freedom unless the country were unified, Gandhi offered to compromise on the old issue of Hindu-Moslem relations by agreeing to the formation of separate Hindu and Moslem states within India. The Moslems, however, seem unwilling to accept his terms.

Latin American Trends

Although Latin America has been relatively untouched by the present war, the affairs of our neighbor republics like our own have been shaped by the conflict and its issues. Argentina's noncooperation with the United Nations and her increasingly totalitarian practices, for example, have finally brought her to grips with Britain and the United States.

With both British and American envoys withdrawn from her capital in protest against her stand, Argentina refused to make any changes. Denounced in plain terms by Secretary of State Hull, her leaders protested that they had not violated hemisphere solidarity. Now, although the situation is far from resolved, there is some indication that severe economic pressures may bring her to terms.

In several of the smaller Latin American nations, the war fostered democratic political upheavals last summer. After 13 years of oppression, Guatemalans finally succeeded in ousting their dictatorial president Jorge Ubico. The people of El Salvador similarly deposed their despotic chief of state.

Party Conventions

Holding their first wartime conventions since the Civil War, our major political parties finished the initial round of the 1944 presidential contest last summer. The traditional excitement of the conventions was somewhat lessened by the fact that in each case, the presidential nominee—Dewey for the Republicans and Roosevelt for the Democrats—was almost a foregone conclusion. Only the selection of Senator Truman as President Roosevelt's running mate involved a real skirmish. The Republicans were unanimous in nominating Governor John W. Bricker of Ohio for vice-president.

Although neither party has yet begun campaigning in earnest, lines of attack which each will follow are evident. Standing on its record of social legislation and successful conduct of the war, the Democratic Party will urge a fourth term for Roosevelt on the grounds that his knowledge and experience in international affairs are needed for successful framing of the peace. Holding that a change of administration this year will in no way affect the course of the war, the Republicans plan to emphasize mismanagement and regimentation on the home front and to promise to correct them if Dewey is elected.

The Home Front

The greatest concern of the American home front last summer was not the war but the peace. How soon might the economy be reconverted? What steps must be taken to ease the transition period?

On the first of these two questions, government, business, and military men were divided into two opposing camps. One, with WPB chairman Donald M. Nelson as its spokesman, argued for an immediate beginning of reconversion to civilian production. The other, represented by Army and Navy officials, pointed to shortages of certain badly needed war materials and urged delay.

The War Manpower Commission has instituted a new series of restrictions to keep workers from taking peacetime jobs until the needs of essential industry are met.

Reconversion on the human level—the transformation of more than 10,000,000 people from soldiers and sailors to civilians—was another problem rendered acute this summer by the apparent closeness of the end of the war. To meet this, Congress passed the "G.I. Bill of Rights," providing hospitalization, educational aid, job placement services, unemployment compensation, and other benefits for veterans.

The Labor Front

Looking back upon last year's disastrous coal strikes, one might say that comparatively few labor disputes



STANDARD-BEARERS. The Democratic and Republican conventions, though important events of the summer, were overshadowed by the war news.

disturbed the industrial scene during the summer months just past. Of those that did occur, however, two are of special significance. At the end of June, CIO Steelworkers began a battle for something entirely new among labor guarantees—a minimum annual wage. And later in the summer, a strike among transit workers crippled Philadelphia war production for the better part of a week. The latter strike was memorable both for the seriousness of the interruption in industrial output and for its causes. The strikers had left their jobs in protest against the prospective promotion of Negro fellow workers.

But labor figured most importantly in the news last summer quite outside the framework of industry. For the first time in American history, a labor group organized itself exclusively for political activity and made itself felt in the beginnings of a political campaign. Through the CIO Political Action Committee—expanded during the summer to include nonunion partisans of its program—labor began a drive to get out the vote, to inform voters campaign issues, and to promote President Roosevelt's candidacy. Primary victories for a number of PAC-sponsored congressmen indicated its strength. Although the PAC outspokenly favored Wallace as the President's running mate, his defeat in the

convention did not deter the Committee from continued active work in the Democratic cause throughout the Nation.

Preparing for Peace

Three international conferences of prime importance for the peace and economic stability of the postwar world were held in the United States this summer. The first, meeting at Bretton Woods, New Hampshire, dealt with the troublesome question of money; the second, in Washington, tackled the problem of the world's oil resources, and the third, also in Washington, began work on blueprints of an international peace organization.

Although the decisions reached at all three of these conferences are subject to the final approval of Congress, and must be considered only as preliminary steps, each has to its credit important accomplishments. The money conference worked out contribution quotas for a proposed world bank.

The oil parley resulted in British-American agreements establishing a joint Anglo-American commission to deal with oil in international trade. It also laid down the general principle that oil shall be available to all nations needing it and prepared for a future conference in which all oil-interested nations will take part.

The Dumbarton Oaks Conference on organization for peace, dealing as it does with the largest issue, is perhaps the most important of these conferences (see page 1).

Events of the Summer

June

- 4th Rome falls to the Allies.
- 5th King Victor Emmanuel of Italy retires, yielding royal authority to Crown Prince Humbert
- 6th Invasion of Western Europe begins with successful Allied landings on Normandy peninsula.
- 9th Ivanoe Bonomi, liberal premier of pre-fascist days, forms new Italian cabinet including representatives of six major parties.
- 11th Red Army launches summer offensive against Finland in the Karelian Isthmus.
- 14th U. S. forces invade Japanese-held Marianas Islands.
- 15th Germans begin robot bomb assault on southern England.
- 15th U. S. B-29 Superfortresses go into action for the first time, raiding big Japanese steel center.
- 22nd President signs "G. I. Bill of Rights," providing unemployment compensation, hospitalization, job placement, educational aid, and other benefits for veterans.
- 23rd Russians open major offensive on eastern front, attacking northwest and southeast of Vitebsk.

- 26th Allies capture Cherbourg, key Normandy port for landing supplies and basing air strength.
- 28th U. S. recalls diplomatic envoy to Argentina.
- 28th Republicans name Dewey and Bricker to presidential ticket; adopt platform sponsoring American participation in postwar peace organization and freedom from government regimentation.
- 29th President signs joint congressional resolution pledging independence for Philippines as soon as constitutional processes are restored.
- 30th U. S. breaks relations with Finland.

July

- 1st Representatives of 44 nations meet at Bretton Woods, N. H., for international monetary conference.
- 9th American forces capture Saipan Island in the Marianas.
- 9th Gandhi proposes division of India into separate Hindu and Moslem states.
- 11th U. S. recognizes de Gaulle civil authority under General Eisenhower in liberated parts of France.

- 13th CIO forms National Citizens Political Action Committee to mobilize nonunion as well as union support for Roosevelt.
- 20th Attempt on Hitler's life fails and Nazis retaliate with widespread purge of army officers.
- 21st Democrats nominate Roosevelt and Truman, promising international cooperation without loss of integrity and full employment at home if voters approve fourth term.
- 22nd General Koiso and Admiral Yonai succeed Tojo as heads of Japanese government.
- 27th American rule is resumed on Guam.

August

- 2nd Turkey breaks relations with Germany.
- 15th American, French, and British forces invade southern France between Toulon and Nice.
- 17th Red Army reaches the border of East Prussia.
- 21st Representatives of United States, Great Britain, and the Soviet Union meet at Washington to discuss postwar organization for peace.
- 22nd French forces in Paris rise against Nazis and prepare way for liberation of capital.
- 23rd French capture Marseille.
- 23rd Romania surrenders to Allies.



Upon the youth of today falls a great responsibility in determining that there shall be no third world war

Mobilizing for Leadership

AFTER the close of the First World War, H. G. Wells described the situation of humanity at that time as a race between education and catastrophe. If the people of the democratic nations, the nations which had just won a great victory over militaristic aggressors, could educate themselves quickly enough about the causes of war and about the means whereby permanent peace could be achieved, another war could be averted, he thought, and the world could be set on the road to progress. If, on the other hand, education came too slowly, if the people of the democratic countries should fail to grapple wisely with the problems of world statesmanship, then a great catastrophe would fall upon the world.

"As we all know," says Elmer Davis, Director of the Office of War Information, "catastrophe won that race; but if the United Nations win this war education has one more chance. And quite possibly only one more chance; for if we lose the next race, the next catastrophe will be a bigger and better catastrophe, which might close this phase of the development of the human species, and compel such specimens as might survive to start all over again, from the point we started from several thousand years ago."

The Director of War Information made that statement during the dark days of 1942, when it was uncertain whether or not the war would be won. That question has now been settled. Victory is within sight. The exciting news that the war with Germany is over will probably come during this school year. We will have another chance to formulate international policies so as to prevent war and to make it possible for the people of the world to enjoy progress and prosperity.

If we lose the peace again, as we did before, the results will be indescribably destructive. The robot plane and the superfortress give us some hints as to what war will be like if it should come again. Each thinking person should determine, then, that we shall not fail this time. We must think our way through to permanent and enduring victory.

During the coming year, many plans for organizing the nations for peace will be proposed. There will be plans for the settlement of international economic problems which give rise to war. Decisions which will affect the world for generations will be made. The wisdom of these decisions will depend very largely upon the state of public opinion of democratic nations. It will depend upon the degree to which the people understand the issues involved and decide wisely upon courses to be adopted.

The editors of THE AMERICAN OBSERVER urge, therefore, that at this crucial moment in our country's life, there should be a mobilization of leadership. We urge that students who have confidence in their capacity for leadership should form themselves into discussion groups for the purpose of studying and debating the great problems of world organization and of national stability with which this generation must deal.

We urge, furthermore, that teachers form discussion groups, and that they associate themselves with groups which are formed in the community.

If the intelligent, alert, conscientious citizens of America set themselves to the task of understanding the economic, political, social, and international issues which will follow inevitably in the wake of war, we can enjoy a political renaissance. We can cope with issues which before have seemed impossibly difficult. We can achieve a degree of peace, stability, and progress of which we have not hitherto dared to dream.

From week to week during the coming year, THE AMERICAN OBSERVER will carry articles on problems relating to postwar employment, stability, and prosperity in the United States. It will also carry articles on the problems relating to the international settlements. These articles, together with references which we will supply, will serve as material upon which discussions may be based.

As an additional guide, to the study of problems of national reconstruction and of world organization for peace, we strongly recommend *The Postwar*

Information Bulletin. This is a monthly publication which may be obtained for \$1 a year. The address is 8 West 40th Street, New York, 18, New York.

This *Bulletin* is, we believe, the best available guide to the study and discussion of postwar problems. It is published by an organization known as the Postwar Information Exchange. This organization was established by representatives of a number of the leading research associations of the country. It was set up as a clearing house for information and ideas relative to postwar national and international problems. It keeps in touch with the work of all the various organizations which are studying such problems. Through its monthly *Bulletin* it calls attention to studies that are being made on postwar problems, to the best of current books, pamphlets, and other materials dealing with these

subjects. It is an effective answer to such questions as, "What are the most critical of the postwar problems at home and abroad?" "Where can I find the best that is being written on these problems?"

Our men on the battle fronts have done a magnificent job. They did it because they were admirably trained for the work they had to do. Citizens on the home front can do an equally worthy job if they are trained for their duties. To train for effective civic work during this time of crisis is the first duty of patriotic Americans, young and old.

News Quiz

1. What is the main task with which the Dumbarton Oaks conference has been called to deal?
2. What relation is there between the Moscow Declaration and Dumbarton Oaks?
3. How does the proposed organization resemble the League of Nations?
4. What difference is there between the assembly proposed and the council?
5. On what ground has the suggested world organization been criticized?
6. Approximately how many persons in the United States are now engaged in war work?
7. What percentage of war production will be eliminated with the defeat of Germany?
8. What are the principal provisions of the Kilgore-Murray bill? How does it differ from the George bill passed by the Senate?
9. What are the main arguments for and against the Kilgore-Murray bill?
10. What is the present production level of the United States? Why must a high level of production be maintained after the war?

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SMILES

Absent-minded Professor (taking a shower): "Now let me see—what pocket did I put that soap in?"

Proud Mother: "Yes, he's a year old now and he's been walking since he was eight months old."

Dumb Dora: "Really? He must be awfully tired."



McCarthy in Collier's
This is the gentleman with whom you agreed to share your room

And then there was the lady who was given three blood transfusions from a Scot. After the first transfusion she paid him \$50; after the second only \$25, while after the third she had so much Scotch blood in her that she merely thanked him.

The two men astride a tandem bicycle stopped at the top of a steep hill to rest. "That was real work," said one. "I didn't think we would make it." "Nor did I," replied the other one. "I was afraid that we'd run backwards—that's why I kept on the brake."

A penny-pinching owner of a boarding house posted this sign in her dining room: "In these hard times we should bridle our appetites."

To this a dissatisfied boarder had added: "A bit in the mouth is better."

USO Hostess: "What's the difference between marching and dancing?"

Soldier: "I don't know."

Hostess: "I didn't think you did. Let's sit this one out."

Bill: "Aren't people funny?"
Jim: "Yes. If you tell a man that there are 270,693,258,406 stars in the universe, he'll believe you, but if a sign says 'Fresh Paint,' that same man has to make a personal investigation."

The "Big Four" Meet at Dumbarton Oaks

(Concluded from page 1)

with the Russians because the Soviet Union is not at war with Japan and is anxious to maintain its position of neutrality.

If the Big Four can agree upon a blueprint for organizing the peace, their plan will be presented to all the United Nations for approval. It will also be submitted for approval to the United States Senate and to the governments of the other powers.

Even though the present conferences are preliminary and will not guarantee that peace will be established on a sound basis, their importance cannot be overemphasized. For if these preliminary meetings fail, there will be no later conferences. If they succeed, the first hurdle to preserving peace will have been overcome.

Elaborate preparations have gone into the Dumbarton Oaks conference. The State Department began studying the problems of organizing peace almost as soon as we became involved in war. Authorities in a dozen different fields were called in to work on plans. Suggestions from hundreds of individuals and organizations have been carefully analyzed. There have been repeated conversations with our Allies. Secretary Hull has taken great pains to keep members of Congress informed on the plans and has sought the support of both Democratic and Republican leaders.

The purpose of all the painstaking advance preparation has been twofold. First, Mr. Hull wants to make sure that a plan can be worked out which will be acceptable to our Allies. Secondly, he wants a plan which will have the support of Congress, for he realizes that any agreement reached with our Allies must be approved by the Senate. It was the failure of the Senate to endorse the Versailles Treaty,



HISTORIC MEETING. At Dumbarton Oaks (shown at right), the Soviet delegates are led by Ambassador Gromyko (left), the Americans by Undersecretary of State Stettinius (center), and the British by Sir Alexander Cadogan.

Late last fall, Secretary Hull traveled to Moscow where he conferred with the British and Russian foreign ministers and with a representative of China. Then the four nations agreed in principle on uniting to preserve the peace. The famous Moscow Declaration, signed November 1, 1943, called for the establishment, "at the earliest practicable date of a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership by all such states, large and small, for the maintenance of international peace and security."

The Dumbarton Oaks conference is being held to carry out this pledge. It is trying to establish the "general international organization," to draw up the blueprint. In other words, it is undertaking to translate into a concrete, workable organization, the objects agreed upon.

Blueprint for Peace

This is an overpowering task. It is one thing to agree that an international organization shall be established to preserve peace and quite another to work out details of organization and create the machinery of cooperation.

Before the conference opened, plans had been drawn up by the American, British, and Soviet governments. While details have not been published, certain features of the proposals are known and there is agreement on a broad front.

Whether the proposed organization is to be called the League of Nations, the League of United Nations, the World International Organization, or, as the Russians have suggested, the International Organization of Safety, certain features of the old League of Nations are expected to be adopted.

The plans call for an organization made up of two bodies. There is to be an assembly, composed of representatives of all the peace-loving nations of the world, large and small. This assembly will meet once or twice a year and will elect members to a smaller body, which has been called the council. The council would serve as the executive body of the international organization.

The council is to be composed of perhaps 11 members. The Big Four are to have permanent seats, with the nonpermanent seats being rotated among the smaller nations, perhaps on a yearly basis. One of the functions of the proposed council will be to determine when military action shall be taken against a nation which threatens the peace. Before such



action is taken, it is suggested, the four permanent members must be unanimous in favoring the use of force. In addition, a majority of the entire council must approve.

The plans discussed at Dumbarton Oaks do not call for the creation of an international army. In June, President Roosevelt stated the American policy as follows: "We are not thinking of a superstate with its own police forces and other paraphernalia of coercive power. We are seeking effective agreement and arrangements through which the nations would maintain, according to their capacities, adequate forces to meet the needs of preventing war and of making impossible deliberate preparation for war, and to have such forces available for joint action when necessary."

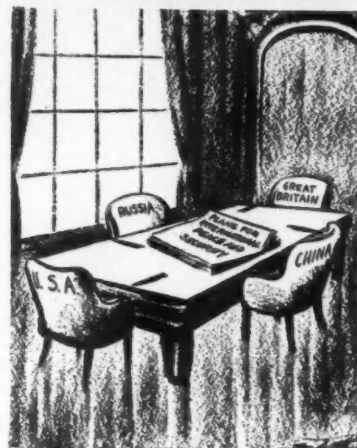
The Russians have suggested that an international air force, made up of volunteers from various countries, be created. This force would be available for use against any country which made preparations for war and threatened the peace. It is not likely that the United States and Great Britain will accept this proposal. The idea is that the armed forces of each nation be kept independent but that they be called into action when the international organization, acting through the council, agrees that military action is necessary.

In addition to the proposed council and assembly, a world court is to be set up to handle disputes which may arise between nations. It is thought that the machinery of the World Court, which was located at The Hague, in Holland, before the war, will be revived for this purpose and that regional courts will be organized.

Purpose of Conference

It should be pointed out that the Dumbarton Oaks conference is considering only the machinery of international organization. It is not dealing with such problems as the peace terms which are to be given Germany and Japan. Nor is it taking up the question of the occupation and disarmament of those countries during the period immediately following the war. It is not discussing future boundaries. These problems are being dealt with by other groups.

The organization of peace is likely to come in two stages. First, there will be the period when the enemy will be disarmed and his country occupied. During that period, the Big Four will have the responsibility of policing Germany and Japan. Beyond this temporary period of occupation is the



Chief item on the agenda

longer period when the permanent arrangements to preserve the peace will be in effect.

There has been considerable criticism of the proposals advanced at Dumbarton Oaks on the ground that postwar organization will place so much power in the hands of the major nations that they will be able to dominate the world by force. It is true that the Big Four will have permanent seats on the council and that their voice will be decisive in determining when military action is to be taken. It is also true that they will have the major responsibility of taking action against any nation which threatens the peace inasmuch as the overwhelming military strength of the world will be in their hands.

But Secretary Hull has given strong reassurances that the proposed world organization calls for the protection and representation of all nations, large and small. It is pointed out that all nations will be represented in the assembly and that the smaller nations will be represented in the council. In this way, it is argued, it will be impossible for the Big Four to act unless they are strongly backed up by the majority of all the nations.

This is the second attempt, within a quarter of a century, to organize the peace. At Versailles, in 1919, the victorious Allies of the last war gathered to erect an international organization to make another war impossible. The League of Nations was brought into being, but it proved ineffective in preventing the rising tide of aggression when it came. The Allies of that war could not remain united and thus lost the peace. Whether we win the peace this time will depend in large measure upon the success or failure of the program which has been undertaken by the Dumbarton Oaks conference.



WILL HISTORY REPEAT? The efforts of Lloyd George, Clemenceau, and Wilson to establish a lasting peace when they met in 1919 resulted in failure.

signed after the last war, which prevented this country from joining the League of Nations and thus cooperating to preserve peace after that struggle.

There is little doubt that an overwhelming majority of the American people are in favor of this country's joining with the other nations in an organization to keep the peace. Both political parties have come out strongly for such action. Both candidates for the presidency have taken a similar stand. Within the last year, both houses of Congress have gone on record as favoring American participation in an international organization.



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AND

FINLAND